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UNITED NATIONS CHILDREN'S FUND

EXECUTIVE BOARD

1993 special session

SUMMARY RECORD OF THE 13th MEETING

Held at Headquarters, New York,
on Wednesday, 6 October 1993, at 10 a.m.

Chairman: Miss MAKINDA (United Republic of Tanzania)

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Opening of the session

Expression of sympathy in connection with the recent earthquake in India

Adoption of the agenda

Election of the second Vice-Chairman of the Executive Board

Election of two members and three alternates of the UNESCO/UNICEF Joint Committee on Education for the 1993-1995 biennium

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Corrections should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent to Ms. M. A. Cuna, Office of the Secretary of the Executive Board, room H-12K, UNICEF House, 3 United Nations Plaza, New York.

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Election of two alternates of the UNICEF/WHO Joint Committee on Health Policy for the remainder of the 1992-1994 biennium

Opening statements by the Chairman of the Executive Board and the Executive Director

The meeting was called to order at 10.30 a.m.

OPENING OF THE SESSION

1. The CHAIRMAN declared open the special session of the Executive Board on headquarters office accommodation.

EXPRESSION OF SYMPATHY IN CONNECTION WITH THE RECENT EARTHQUAKE IN INDIA

2. The CHAIRMAN, on behalf of all the members of the Board, expressed sympathy to the Government of India in connection with the recent earthquake in that country.

3. At the invitation of the Chairman, the members of the Board observed a minute of silence.

ADOPTION OF THE AGENDA (E/ICEF/1993/16)

4. The agenda was adopted.

ELECTION OF THE SECOND VICE-CHAIRMAN OF THE EXECUTIVE BOARD

5. The CHAIRMAN said that Mr. Raiko Raichev (Bulgaria) had been nominated by the Group of Central and Eastern European States for the office of second Vice-Chairman of the Board. She took it that the Board wished to elect that candidate.

6. It was so decided.

ELECTION OF TWO MEMBERS AND THREE ALTERNATES OF THE UNESCO/UNICEF JOINT COMMITTEE ON EDUCATION FOR THE 1993-1995 BIENNIUM

7. The CHAIRMAN said that the respective regional groups had nominated Mr. Mazharul Haq Siddiqui (Pakistan) and Mr. Arnold Ferdinand Pigot (Suriname) as members, and Mr. Swarga Man Singh Shrestha (Nepal), Mr. Liviu Maior (Romania) and Mrs. Isabel Londono Polo (Colombia) as alternates of the UNESCO/UNICEF Joint Committee on Education for the 1993-1995 biennium. She took it that the Board wished to elect those candidates.

8. It was so decided.

ELECTION OF TWO ALTERNATES OF THE UNICEF/WHO JOINT COMMITTEE ON HEALTH POLICY FOR THE REMAINDER OF THE 1992-1994 BIENNIUM

9. The CHAIRMAN said that the respective regional groups had nominated Mrs. Inga Grebesheva (Russian Federation) and Mrs. Leyla Peek (Nicaragua) as alternates of the UNICEF/WHO Joint Committee on Health Policy for the remainder of the 1992-1994 biennium. She took it that the Board wished to elect those candidates.

10. It was so decided.

OPENING STATEMENTS BY THE CHAIRMAN OF THE EXECUTIVE BOARD AND THE EXECUTIVE DIRECTOR (E/ICEF/1993/AB/L.15)

11. The CHAIRMAN said that the issue of headquarters office accommodation had been under discussion for a long time. After four years of considering the various possibilities, there was almost unanimous agreement among delegations that a decision should be taken in 1993. Accordingly, she urged the Board to endeavour to reach agreement on the matter so that a final decision could be taken without undue delay.

12. Mr. GRANT (Executive Director) said that the report on headquarters office accommodation (E/ICEF/1993/AB/L.15) fully took into account Executive Board decision 1993/22 as well as the views put forward by the Advisory Committee on Administrative and Budgetary Questions. His recommendation was to retain, and eventually own, UNICEF House and also acquire a condominium interest in 633 Third Avenue, under the dramatically improved terms set forth in the latest offer from New York City, which would enable the Fund to consolidate all New York headquarters staff in two locations near one another and the United Nations.

13. That proposal was not only preferable in non-financial terms, but was also the lowest-cost suitable alternative. The secretariat's independent real estate consultant had used conservative assumptions to calculate the savings offered by the United Nations district option as opposed to the New Rochelle alternative. Compared to the previous offer from New York City/UNDC for the UNICEF House/633 Third Avenue twin location package, the new offer would involve a savings (not including sub-lease income) of an estimated $100 million in nominal terms over the 32-year period, 1995-2026. In terms of current net value, the improved offer would amount to about $27 million in savings.

14. Compared to the cost of retaining all existing leases and renting new expansion space as needed, the savings offered by the new proposal would amount to approximately $170 million in nominal terms, or $30 million in current net value, over the same 32-year period. In addition to the aforementioned savings, given the higher value of New York City real estate, UNICEF House and the 633 Third Avenue condominium would have a combined residual value estimated at $200 million at the end of the 32-year period, as opposed to $122 million for the New Rochelle building. The financial concessions obtained from New York City were so great that the Fund's real estate consultant, who had previously recommended a relocation option outside Manhattan on strictly financial grounds, now strongly backed the proposal under consideration.

15. There was a world of difference between the two main alternatives. Aside from the real estate cost savings, the secretariat's proposal would divide staff only between two buildings that were in close proximity to one another in the United Nations diplomatic district. That would involve major savings compared to current costs. Furthermore, the 633 Third Avenue location would allow greater flexibility if staff growth either exceeded or fell below projections. For the reasons detailed in paragraphs 42 to 57 of the report on headquarters office accommodations, relocating part of UNICEF to New Rochelle would seriously weaken the internal cohesiveness and efficiency that the Fund had achieved and would hamper the interaction with strategic United Nations and diplomatic counterparts that was absolutely vital to the functioning of UNICEF.

(Mr. Grant)

16. If the full proposal was not acceptable, the Board could, at the very least, move forward without undue delay on the part of the proposal relating to UNICEF House. That would almost immediately reduce rental costs in New York City by at least $165,000 per month and allow the Fund to gain total ownership of the building. Under that option, medium-term needs for additional space would be met by extending lease arrangements for the locations at 333 East 38th Street and One Dag Hammarskjöld Plaza. Approval of that part of the proposal would address key concerns expressed by the Advisory Committee and resolve longer-term space issues.

17. The Fund's secretariat strongly felt that the proposal should be approved in its entirety and promptly. Further delay in taking a definitive decision on the matter would exacerbate the office accommodation problem and force senior management to continue diverting human and material resources from the Fund's programmes for children.

The meeting rose at 10.55 a.m.

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UNITED NATIONS CHILDREN'S FUND

EXECUTIVE BOARD

1993 special session

SUMMARY RECORD OF THE 14th MEETING

Held at Headquarters, New York,
on Thursday, 7 October 1993, at 5.45 p.m.

Chairman: Mrs. MAKINDA (United Republic of Tanzania)

CONTENTS

Adoption of decisions

Closure of the session

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The meeting was called to order at 5.45 p.m.

ADOPTION OF DECISIONS (E/ICEF/1993/AB/L.15 and 16, E/ICEF/1993/CRP.45)

1. Miss ARIAS (Colombia), Chairman of the Committee on Administration and Finance, introduced a draft recommendation adopted by the Committee (E/ICEF/1993/CRP.45) which, inter alia, authorized the Executive Director to continue the negotiations with the City of New York to acquire UNICEF House (para. 1), and to proceed with the lease/purchase of space at 633 Third Avenue, subject to the various conditions specified in paragraphs 2, 3 and 4.

2. The draft recommendation in document E/ICEF/1993/CRP.45 was adopted.

3. Mr. BARNETT (United Kingdom) said that, in the discussions in the Committee on Administration and Finance, his delegation had made its position clear regarding the Executive Director's proposals in document E/ICEF/1993/AB/L.15 and the issues raised in the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on UNICEF headquarters office accommodation (E/ICEF/1993/AB/L.16). Flexibility, however, had been required of all delegations in order to achieve consensus on the important decision on UNICEF headquarters requirements. Although the United Kingdom still doubted that the Board had chosen the most cost-effective solution, it had joined the consensus just reached. The improvement in New York City's offer of course went some way towards meeting some of the ACABQ concerns; but the fact that at the last moment a decision had had to be taken on 14 floors rather than 13 in the Third Avenue building did not inspire confidence in the rest of the figures provided. If those figures proved not to be accurate, it was clear that the costs would have to be met from existing budgets, with obvious implications for programme delivery. The next step must be to look carefully at the staff projections, which the United Kingdom continued to believe were too high.

4. He again drew the Board's attention to the many useful, cost-saving initiatives put forward in the ACABQ report that, he believed, had not yet been fully considered by the Board and required further attention. The difficulties all delegations had experienced in the discussions just concluded only served to underline the need for urgent reform of the governance of funds and programmes.

5. Mr. POST (Netherlands) observed that, over the previous days, many delegations had made concessions during the very intense discussion of a difficult issue. The United Kingdom delegation, however, was to be particularly commended for its great flexibility in moving from one position to the opposite one. The British attitude should be an example for the Executive Board at the coming session.

6. Miss DIOP (Senegal) joined in commending the United Kingdom delegation.

CLOSURE OF THE SESSION

7. The CHAIRMAN congratulated the members of the Board on the speed with which they had managed to settle by consensus the longstanding and complex issue of UNICEF headquarters office accommodation. The cost savings achieved at the special session should dispel doubts about the credibility of UNICEF and confirm its resolute commitment to action on behalf of children as its primary goal.

8. She declared the special session of the Executive Board closed.

The meeting rose at 6 p.m.